

JOINT STATEMENT ON THE MONTEREY AMENDMENTS LITIGATION
February 26, 2003

*By the Department of Water Resources, the Central Coast Water Authority, the
State Water Contractors, the Planning and Conservation League, the
Plumas County Flood Control and Water Conservation District, and the
Citizens' Planning Association of Santa Barbara County*

In 1996, the "Monterey Amendment litigation" was filed against the Department of Water Resources. (*Planning and Conservation League vs. Department of Water Resources and Central Coast Water Authority*) During 2001 and 2002 mediation discussions were conducted under the auspices of Judge Daniel Weinstein (Ret.). In July 2002, the discussions resulted in a statement of principles for the settlement of the litigation. The negotiators have now completed work on a detailed set of papers that embodies those principles. Those settlement papers have been signed by the plaintiffs (Planning and Conservation League, the Plumas County Flood Control and Water Conservation District, and the Citizens' Planning Association of Santa Barbara County and are being circulated for signature by the defendants (DWR and the Central Coast Water Authority). Other State Water Project contractors who were not parties to the Monterey Amendment litigation also participated in the negotiations)

The Monterey Amendments are amendments to the long-term water supply contracts for the SWP executed by the Department of Water Resources (DWR) and most of the State Water contractors in 1995 and 1996. In a 2000 ruling in this lawsuit, the Third District Court of Appeal in Sacramento held that the environmental impact report for the Monterey Amendments ("1995 EIR") did not comply with the California Environmental Quality Act.

DWR has commenced preparing a new Environmental Impact Report (the "new EIR") and published the Notice of Preparation for the new EIR on January 24, 2003.

This is a complex agreement. Selected key components of the settlement are summarized below:

- DWR and the SWP contractors will take actions, including adoption of new amendments to the SWP contracts, to improve and clarify disclosure of information about the delivery capability of the State Water Project. Contract amendments will delete the term "entitlement" and replace that term with "Table A Amount." The amendment will not change DWR's water delivery obligations under the SWP contracts. The amendment will also require DWR to distribute a biennial report to SWP contractors and all city, county, and regional planning agencies within the SWP

project area, providing information as to SWP delivery capabilities, historic deliveries, and estimated deliveries under a range of hydrologic conditions.

- The parties reached agreement on the content, scope and process for the new EIR.
- DWR will act as lead agency in preparing the new EIR.
- Future negotiations for certain amendments to SWP water contracts between DWR and the SWP contractors will be conducted in public.
- DWR will issue guidelines for its review and approval of permanent water transfers.
- The Kern Water Bank will remain in local ownership and will operate as it has, but will be subject to additional restrictions on use.
- \$8 million will be paid to Plumas, primarily for watershed improvements in the Feather River watershed, and for other district-related purposes, to be disbursed with input from a watershed forum composed of representatives of Plumas, local community groups, DWR, and SWP contractors.
- \$5.5 million will be paid in installments to plaintiffs to implement the settlement, including watershed restoration projects, follow-up actions arising from the settlement, and technical studies.
- The State Water Project will be operated pursuant to the Monterey Amendments and new amendments pending completion of the new EIR and termination of the litigation.
- Procedural provisions of the Settlement Agreement address the relations of the parties, a process for resolving disputes, and the status of the litigation while the new EIR is being prepared and thereafter.

[Settlement Agreement](#)

[Settlement Agreement -Attachments and Exhibits](#)